IESI Company Manual

WELCOME

Your employment has been the result of a highly selective process. You are the very best person we could locate to undertake the responsibilities you will be assigned. We believe you have the ability to make a significant contribution to our fast growing progressive company.

IESI's ultimate success and your own personal career growth depends upon our mutual efforts to do an outstanding job. In order to accomplish success, we must all sustain a positive approach towards work and a cooperative attitude with fellow employees.

IESI will endeavor to provide you with steady employment, opportunity for advancement, and a good salary commensurate with your work performance and ability. It is our sincere hope that this will be the beginning of a long association that will prove to be mutually satisfying and rewarding. It is with this spirit that we welcome you to IESI.

This booklet has been prepared to give you a handy reference of the conditions of work, objectives, benefits, policies and other useful information. Please read it carefully. If there is anything which you do not understand, please ask your supervisor for clarification.

IESI International Entry Systems Inc.
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IESI Corporate Objectives

Our corporation must have a stated set of corporate goals on which decisions can be based. In this section of the handbook, we have defined these goals so that all employees will know and strive to meet them on a daily basis.

PURPOSE

International Entry Systems, Inc., was created for the purpose of generating financial growth and security for its founders and stockholders (investors).

BENEFITS

To achieve this admittedly self-serving purpose, it is clearly stated and accepted that others must benefit from the growth of the corporation.

EMPLOYEES must benefit by personal growth, financial reward and employment security - else why would they work here?

MANAGERS must have freedom of decision, financial reward and sense of contribution - else why would they take on the burdens of supervisors?

CUSTOMERS must feel they are getting fair value for payment - else why would they buy from us rather than our competitors?

INVESTORS must have confidence and fiscal return - else why would they allow us to use their resources?

GOAL

The goal of the corporation is to develop and implement plans and decisions which will, in the final result, provide a balanced distribution of these benefits to all affected parties.

PHILOSOPHY FOR SUCCESS

Provide quality products which deliver more performance than the customer expected.

Maintain corporate sales and profit results which exceed those of competitors and the industry mean.

PHILOSOPHY FOR SUCCESS, cont.

Create a stimulating, challenging and rewarding environment for work.

Hire the most creative and productive people available, then deal with all of them on an equitable basis.

Obtain the fullest committment and maximum performance from all employees.

Develop a one-team attitude on the part of all employees.

Instill open and direct methods of communication which develop mutual trust and confidence.

Be aggressive in our marketing approach.

Be conservative in our fiscal decisions.

Be innovative with the latest technology in the development of new products.

Go the "extra" mile in support of products after they are purchased.

Function efficiently without duplication of effort.

Strive to have less people doing more and be better rewarded for it.

Treat all suppliers fairly, giving all the opportunity to supply quality product at a competetive price.

EMPLOYMENT POLICIES

These policies apply to all employees and constitute the conditions of your continued employment.

I. NON-DISCRIMINATION

IESI corporation complies with all provisions of the Fair Employment Practice and Equal Opportunity Employment legislation. It is the policy of IESI Corporation to not discriminate against any employee or applicant with respect to employment, wages, or working conditions because of race, color, creed, sex, age, or national origin. Reference to male or female genders in these regulations means either gender.

II. FACILITIES

You are responsible for maintaining a clean and well organized work area. Please keep in mind that you have a responsibility to your fellow employees to keep shared area's restrooms, etc., clean and orderly.

III. PERSONNEL RECORDS

It is important that your personnel records be kept up to date at all times. The only way to keep your information current is for you to personally report any changes of status in the following areas:

1) Your address or telephone number,
2) Your marital status or change of name,
3) Your family status either through addition or death,
4) Your desire to change the name of the person to contact in case of emergency,
5) Your number of tax exemptions,
6) Your completion of any additional education courses,
7) Or other pertinent information concerning your employment status.

IV. PAYROLL CLASSIFICATIONS

1. Part Time

Employees working less than 30 hours per week are considered temporary employees. They will be paid an hourly wage. They do not qualify for company bonus or benefit plans, vacations, holidays or overtime. Termination can be on short notice although the company will try to advise with as much lead time as possible.

2. Full Time Hourly

Employee working more than 30 hours per week and whose jobs content has the following characteristics will be considered full time hourly (non-exempt) employees:

a. structured work content which meets the Washington State definitions for non-exempt personnel.

b. piece work activities where a continuous backlog for work to be done is inherent.

c. work assignments which are closely related to other employees so that individual freedom to personally select tasks are impractical.

Full time hourly employees qualify for Company benefit programs.

3. Salaried (Exempt)

Employees whose job content requires personal initiative, self determination of task organization, and independence in task accomplishment will be considered salaried personnel. Salaried personnel shall qualify for all Company benefit plans. Salaried personnel do not qualify for overtime.

The Company does not recognize a "status" difference between salaried and hourly employees. People are assigned to the salary classification because of the variety of their tasks and the difficulty in defining specific job content.

It is only when state law mandates an hourly classification or when the employee has little or no control over the amount of work to be done, that the hourly assignment will be made.

V. SALARY POLICY

Your level of pay will be established in accordance with your level of responsibilities, your experience, potential for future growth, past job performance with IESI and general work attitudes.

All employees are paid bi-monthly by Company check on the 2nd working day after the 15th of the month and the last working day of the month.

Certain deductions from your payroll are required by law: ie., Social Security and Federal Income Tax. Other deductions - such as medical insurance - may also be made. If you have questions, see your supervisor promptly so errors can be quickly corrected.

V. SALARY POLICY, cont.

Regular salary review will be given each employee. The timing may vary by individual but shall not be less than:

Exempt employees - once every six months for the first year of employment and then at least annually thereafter.

Non-exempt - once every three months for the first six months and then every six months thereafter.

VI. BUSINESS HOURS

Company facilities shall be open for contact with customers and suppliers from 8 A.M. to 5 P.M., every Monday to Friday, except for official corporate holidays. Personnel shall be assigned to answer telephones and receive visitors for the complete day including the lunch period.

VII. WORKING HOURS

Full time hourly employees are expected to work 8 hours per day, 5 days a week. State law requires a minimum of 1/2 hour for lunch and a 15 minute rest break, morning and afternoon. No employee will be allowed to waive these rest periods. For payroll calculations, the break times will be considered as time worked.

Full time hourly employees will be paid time and one-half for all work over 8 hours per day, and over 40 hours per work week. Similar rates will apply for work on official company holidays. Overtime will not be paid for hours worked in compensation for time off when requested by the employee.

Unless specifically instructed otherwise, hourly employees may elect to start work between 6 A.M. and 10 A.M. in the morning and leave work from 2:30 P.M. to 6 P.M. in the afternoon.

Salaried employees are expected to work a minimum of 8 hours per day, 5 days a week. No overtime pay will apply for over 8 hours per day or over 40 hours per week.

Salaried employees may elect to start work between 6 A.M. and 10 A.M. in the morning.

Each employee shall be informed, at the time of employment, that flexible working hours are a company benefit which will be continued only as long as it proves feasible and efficient. Due to the need for cooperative activities, a specific individual or specific group of employees may be required to begin and end work at specific assigned times.

VIII. HOLIDAYS

The official compamy paid holidays are:

New Years Day
Memorial Day
Independence Day
Labor Day
Thanksgiving
Day after Thanksgiving
Christmas Eve (if a weekday)
Christmas

To receive payment for a holiday, the employee must work the official working days prior to; and after the holiday, except when those days are taken as official vacation days.

IX. VACATION

Immediately upon employment, each full time employee shall begin to accrue vacation time at the rate of 1/26 of a vacation day for each full day worked. Only full time hourly and salaried employees accrue vacation time. Earned vacation time will become "Vested" 180 days from the starting date of employment.

The maximum vacation time which can be accrued is 15 days. Vacation time accrued beyond that limit is lost.

The specific days which can be taken for vacation must be approved by an employee's immediate supervisor. Every consideration will be given to grant the dates requested, however, the final determinant shall be the needs of the Company during the time requested. The employee can assist in the approval process by requesting dates as far in advance as possible.

X. SICKNESS

All employees will advise their immediate supervisors as soon as possible if they intend to be absent from work due to illness. In the event your immediate supervisor is not readily available, leave a telephone number with the Company receptionist - a number where you may be reached. Each day's absence should be treated separately.

Hourly personnel will be allowed the opportunity to make up the time if it can be done within the same work week. Makeup time should be arranged to avoid overtime pay.

Since salaried employees are paid to dischange specific responsibilities, no deduction for time lost will be made as long as the immediate supervisor is satisfied that extra time and effort to compensate is forthcoming.

XI. EMERGENCY LEAVE

The Company will try to accommodate in every possible way personal emergencies which may occur. Vital to good relations is the need of the employee to keep his supervisor notified of the reasons for the need to be gone from work, preferrably before they occur.

Continued "emergencies" without proper notice or full explanation will be cause for termination.

XII. USE OF COMPANY TELEPHONES

The location and quantity of Company telephones have been determined by business load requirements. Use of the telephone for personal matters should be infrequent and as brief as possible.

XIII. PARKING FACILITIES

Unfortunately, the location of the Compny premises do not provide for on-site parking. The stalls on Company property are reserved for use by Company vehicles or the individual doing pickups and deliveries.

XIV. TERMINATION OF EMPLOYMENT

If you plan to terminate your employment, please give us as much notice as possible. It will be necessary to find and train your replacement.

In any circumstances, hourly employees are expected to give two weeks notice and exempt employees one month.

The Company will extend the same courtesy except for cases involving discharge for cause.

XV. TRAVEL REIMBURSEMENT (non-exempt)

1. Travel time to and from a location away from an employee's regular place of work during regular hours is automatically regarded as time worked and should be reported as time worked.

2. The following criteria will govern reimbursement for travel time:

   A. When the Company requires that the employee travel in an automobile where the employee must drive, all of the driving time is time worked.

   B. Whenever the employee has the option to drive or take public transportation and elects to drive, that time which exceeds the public transportation time is not time worked.

C. Where an employee leaves home and returns the same day, all travel time (in excess of that required between home and usual work place) is time worked regardless of the means of travel.

D. Any travel time required on non-work days during hours corresponding to regular work hours is time worked.

EMPLOYMENT PROCEDURES

I. PROBATION PERIOD

A. New Hires

All new employees hired are considered in a probationary status for the first 90 days of employment.

The purposes of the probationary period are:

1. It gives the employee an opportunity to work within the Company and determine whether IESI provides the opportunity and environment which the employee sought when joining the firm.

2. It gives IESI the opportunity to evaluate the employee's talents and determine if they apply to the position for which the employee was hired.

   Termination of a new employee during the probationary period is entirely within the judgement of the Company.

   At the end of the probationary period, the employee and the employee's immediate supervisor will arrange a specific meeting for the purpose of reviewing the employee's performance during the previous 90 days and establish future growth goals for the employee.

B. Promotions and transfers

Employees being transferred or promoted are placed on a probationary period for 69 days. The period has the same purposes as that for a new employee; ie., the Company and the employee have an opportunity to evaluate whether the change has been beneficial.

If the change proves unsatisfactory for either party, the Company will endeavor to find another suitable position for the employee. However, it is likely that the employees former position may have been filled and a return to that position may not be possible.

II. LAY OFF AND RECALL

The Company will do everything possible to avoid capricious hiring and layoffs. In the event a cut back becomes necessary, the Company reserves the right to terminate employees whose departure will have the least overall effect on the efficient operation of the Company.

Employees whose work performance was satisfactory before being layed off will be rehired in preferrance to new hires.

III. JOB OPPORTUNITIES

The Company will advise all employees of new positions which become available. Every effort will be made to find a suitable candidate currently on the payroll before a new hire is considered.

COMPANY SAFETY RULES

STATEMENT

A Company objective is to furnish its customers with the best quality product and service. At the same time, every effort will be made to provide the employee with a pleasant and safe place to work.

To meet this objective, it is necessary for the Company to establish the following safety rules to which each employee must comply.

I. INJURY

1. Any minor injury requiring first aid treatment, regardless of size, must be reported immediately to the cognizant supervisor.

II. UNSAFE CONDITIONS

1. Report all unsafe conditions to immediate supervisor at once. Safety suggestions are always welcome.

2. Materials will not be discarded on the floor.

III. SAFETY GUARDS

1. Equipment safety guards are so placed for operator protection and must be used. They are not to be removed while machine is operating.

2. Safety guards are to be removed only for adjustment purposes and then replaced.

IV. RUNNING AND HORSEPLAY

1. Running within the plant is dangerous and is not tolerated.

2. Pushing, scuffling, throwing of objects, etc., is dangerous and is not tolerated.

V. CLOTHING

1. Loose fitting clothes, flowing ties, and loose fitting sleeves and coats are dangerous around machinery and are not to be worn in areas where such power equipment is in use.

COMPANY SAFETY RULES, cont.

VI. USE OF CHEMICALS

1. Each employee is cautioned against working with chemicals without first being instructed in their proper handling by his supervisor.

2. Use only approved materials for cleaning purposes.

3. Do not pour any chemicals into any sewer drain.

4. Oil rags, chemicals, and other toxic materials must be kept in approved storage containers.

VII. LIFTING

1. The proper way of lifting to avoid strain is to bend the knees, keeping the back vertical and lifting with the legs.

2. Call for assitance in lifting heavy objects.

VIII. SAFETY GLASSES

1. Approved safety glasses must be worn at any time when the operations involved might cause foreign particules to be blown into the eyes.

2. The Company provides safety glasses to all employees.

IX. SOLDER BURNS

1. Solder burns and other industrial accidents should be treated immediately at the first aid station.

X. SMOKING

1. Employees are encouraged not to smoke while working. Smoking and eating is prohibited on the production floor. Smoking and eating are permitted in the employee break area.

GENERAL PLANT RULES

STATEMENT

Years of experience have shown that if employees conduct themselves in proper ways, they can work safely, in more agreeable surroundings and with greater efficiency. It is believed that most people have learned how to conduct themselves properly . To be certain, however, that we do not have misunderstandings, listed below are some of the most important guides for conduct. Appropriate coaching and disciplinary action will result for violation of these guides.

GENERAL PLANT RULES, cont.

In general, the guides are intended to do the following:

A. Promote the health and safety of employees.

1. Good houskeeping -- A neat, clean plant is a sign of good quality work, safety consciousness and good working conditions. Everyone is responsible for the cleanliness of his own work area.

2. Weapons -- No one is permitted to bring weapons of any type into the plant.

3. Sanitation -- Company restrooms are to be treated the same as you would your own personal home bathrooms.

B. Protect employees from annoyance

1. Solicitation and Distribution -- Employees are not permitted to engage in any solicitation of funds for, or membership in, any organization or to distribute or post literature on Company property except as approved by management.

2. Solicitation of donations, the selling of chances, the placing of orders for merchandise and the selling of tickets or subscriptions is also prohibited except as approved by management.

3. Solicitations of personal contributions for flowers, wedding gifts, etc., for employees and their families is permissable within a department if approved by a majority of employees.

C. Intimidations

1. Any attempt to intimidate, coerce, or otherwise interfere with other employees in the performance of their responsiblities is cause for disciplinary action.

D. Personal Radios and other Appliances

1. Personal radios are not permitted inside the plant, nor any appliance for personal use.

D. Insure a working force of good character

1. Intoxication -- Reporting for work under the influence of intoxicants, bringing intoxicants on the premises, or indulging in intoxicants while on Company propery is forbidden. Offenders will be subject to immediate discharge.

GENERAL PLANT RULES, cont.

2. Stealing -- Stealing property belonging to either fellow employees or the Company is sufficient grounds for immediate dismissal.

3. Fighting or Gambling -- Fighting or gambling on Company premises is cause for discharge.

4. Use of Improper Language -- Abusive or profane language against a fellow employee, threatening, bullying or interfering with an employee's right in any way is not tolerated.

5. Falsifying Records -- Falsification of pre-employment, personnel, time, production, or any other records, or intentionally giving false or misleading information is grounds for discharge.

6. Felony -- Conviction for, or a confession of, a felony or grave crime is reason for discharge.

7. Control Substance Act -- Any employee found guilty of using a controlled substance, or found using or bringing on Company premises a controlled substance, is subject to immediate dismissal.

F. Ensure Quality and Quantity of Production

1. Attendance -- Regular work attendance is important both to the employee and the Company. Certain absences are unavoidable. If absence is necessary because of illness or emergency, the supervisor must be notified. The reason for the absence and the time of expected return to work are needed.

2. An employee failing to either report to work or leaving work without reporting the reason to immediate supervisor may result in discharge.

3. Punctuality -- It is unfair to each employee as well as the Company to be late for work. Each employee is a necessary part of the organization and his full-time effort is required at all times to maintain productivity at a high level.

GENERAL PLANT RULES, cont.

4. Remaining at Work Area -- Employees are to remain in their general work area unless their work dictates moving from one department to the another.

5. Failure to carry out any reasonable order or refusing to work on jobs assigned are grounds for discharge.

6. Three days of unreported absence is grounds for immediate termination.

SUMMARY

All foregoing General Plant Rules can be called "common sense" rules of honesty, common decency, general conduct and friendliness which are always necessary when a group of people work together. These rules do not attempt to cover all infractions of plant rules which might occur. Acts which are generally not acceptable elsewhere cannot be acceptable here. These rules are subject to revision and will be upgraded as found necessary.

In conclusion, the following statement may well be used as a general guideline for employee behavior.

> Any action is an offense if it is detrimental to the welfare of the Company or to any one of its employees.

GUIDELINES FOR MANAGEMENT

Discipline and Discharge

The IESI philosophy of management relies heavily on the self-motivation, self supervision and self discipline of the individual in the performance of his/her responsibilities. Each individual is expected to be a professional in his job and is to be treated as one.

On the other hand, all of us are human, with interests and pressures outside of our jobs. It would be normal that from time to time we would stray from our very best performance or cooperation with others.

If we have hired the best people, then these lapses will be rare, and when they do occur can be quickly corrected when brought to the attention of the employee in a private, direct, helpful but firm discussion by his supervisor.

Further, each employee shall be given ample opportunity to correct performance or improve cooperation. The means to do this will be as follows:

Step 1: With the first incident, the supervisor will have a private discussion with the individual about the situation. The employee shall be given every opportunity to explain his/her view on the complaint or express any or all matters which are inhibiting performances.

Step 2: If another incident should occur within four months of the first, the supervisor will again repeat the process. After the discussion, a memo will be prepared describing the problem and the agreements reached. A copy of the memo will be given the employee, one copy placed in the personnel file and one copy given to the supervisor's immediate supervisor.

Step 3: If a third incident occurs again within the next six months, the process of Step 2 will be repeated. The employee will be advised that if another incident of the type being discussed should again occur, discharge will result. This fact should be communicated in memo and distributed as in Step 2 above.

After the second formal written notice, the employee will be classified as on disciplinary probation. The length of probation shall be determined by the immediate supervisor. No salary/wage increases will be initiated nor apply while an employee is on disciplinary probation.

Discipline and Discharge, cont.,

Step 4: If a fourth incident occurs, the employee will be terminated. This approach to supervisor - employee feedback is designed to be helpful and constructive to the employee. Termination occurs only as a last resort. It is believed that after three discussions of the problem, a basic conflict of goals and purposes exists. It is then to the best interest of the employee as well as the Company to terminate the relationship.

There are, however, certain situations or actions which are so harmful to the Company's best interest or so dangerous to the welfare of other employees that a gradual approach is not possible. The following breaches of discipline will require immediate termination:

1. Conduct or actions which endanger the life of health of other employees.

2. Fighting on Company property.

3. Intimidation or coercion of employees to participate in unlawful acts.

4. Theft either of Company or other employee's property.

5. Intoxication or use of drugs on Company premises.

Company Group Medical Insurance

IESI has a group medical insurance plan provided by Blue Cross of Washington. The plan covers 80% of allowable expenses up to $1820 and 100% of allowable expenses in excess of $1820, after satisfying a $100 per person ($300 per family maximum) deductible. Expenses relating to an accident are covered in full up to $500. Any physician or hospital may be used. The plan includes expenses for prescriptions. There is a six month waiting period for certain conditions (see plan description in office).

IESI pays the employees share for all full time employees, and part time employees working at least 25 hours per week. A new employee may choose to have a spouse and/or children covered by the plan, at the employee's own expense.

Costs for dependents paid by the employee are deducted from the employees wage automatically in equal installments for each pay period. The employee cost for a spouse is $27.40/ month; for spouse and children it is $47.30/month; for children it is $23.40/month.

The employee is responsible for filing all claim forms with the Blue Cross. Forms are available from the front office.